

**MINUTES OF REGULAR MEETING  
ILLINOIS GAMING BOARD  
July 18, 2000  
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

The Illinois Gaming Board ("Board") held its Regular Meeting on July 18, 2000 in the Auditorium on the 5th floor of the State of Illinois Building, Chicago, Illinois, pursuant to the Illinois Open Meetings Act, 5 ILCS 120.

The following Board Members were present: Chairman Gregory C. Jones, and Members, Joseph A. Lamendella, Sterling M. Ryder, and Staci M. Yandle. Member Stuart Levine was not present at the meeting.

Also in attendance were: Administrator Sergio E. Acosta, Special Counsel to the Board Robert F. Casey, Deputy Administrators Joseph Haughey, Allan S. McDonald, Thomas Swoik and James W. Wagner, Deputy Chief Legal Counsel Jeannette P. Tamayo, other members of the staff, and two members of the public.

Chairman Jones called the meeting to order at 9:40 a.m. in the 3<sup>rd</sup> floor Board Conference Room. Member Ryder moved **that the Board retire to Closed Session pursuant to Section 2(c), paragraphs (1), (4), (11), (14) and (21) of the Open Meetings Act.** Member Lamendella seconded the motion. The Board adopted the motion by unanimous consent. The members of the public were asked to leave so that the Board could commence its Closed Session discussion. The Board then retired to Closed session.

The Board convened its Open Session at 2:35 P.M.

Chairman Jones gave the other Board members an opportunity to discuss any concerns that they may have. Member Yandle apologized for keeping the public waiting and stated that the Board needs to look into its current practices in scheduling regular meetings. Member Yandle asked the other Board members to consider a two-day meeting, which would allow sufficient time to handle certain issues that require careful deliberation. Member Yandle also stated that the Board needs to consider some guidelines for public commentary. Member Yandle stated that there are certain occasions when certain subjects are appropriate. Chairman Jones stated that he is not in disagreement with having a two-day meeting if it would help start the Open Session on time.

## Minutes

Member Lamendella moved that **the Board approve the following open and closed session minutes of the Illinois Gaming Board:**

- **Open Session Minutes:**

- **Regular Meeting of February 22, 2000**
- **Special Meeting of March 16, 2000**
- **Regular Meeting of March 21, 2000**
- **Special Meeting of April 4, 2000**
- **Regular Meeting of April 25, 2000**
- **Regular Meeting of May 16, 2000**
- **Special Meeting of June 7, 2000**
- **Regular Meeting of June 29, 2000**
- **Regular Meeting of June 30, 2000**

- **Closed Session Minutes:**

- **Regular Meeting of February 22, 2000**
- **Special Meeting of March 16, 2000**
- **Regular Meeting of March 21, 2000**
- **Special Meeting of April 4, 2000**
- **Regular Meeting of April 25, 2000**
- **Regular Meeting of May 16, 2000**
- **Special Meeting of June 7, 2000**

Member Yandle seconded the motion. The Board approved the motion unanimously by voice vote.

## Administrator's Report

Administrator Acosta announced that the formal Notice of Denial will be issued Wednesday, July 19, 2000 to Empress Casino with respect to the action that the Board took on June 30, 2000.

## Public Commentary

Phil Crusius, with the Concerned Citizens for Self-Determination, was present to follow up on a letter sent to Administrator Acosta. Mr. Crusius stated that he and his organization are concerned with the suitability of the Village of Rosemont as a host city for Emerald Casino and as a business contractor leasing property to Emerald Casino. Mr. Crusius stated that he questions Rosemont's business practices in agreements they have made with municipalities related to gaming policies and lobbying. Mr. Crusius stated that his concern is about contracts for contingency lobbying, which is prohibited by Illinois law. Mr. Crusius stated

that the Concerned Citizens for Self-Determination are sending a letter to Attorney General, Jim Ryan, questioning the Rosemont and Calumet City contracts. Mr. Crusius asked the Illinois Gaming Board to refer the Rosemont and Calumet City agreement to the Illinois Attorney General for review and possible action and to wait on finalizing any license in Rosemont until the matter is resolved.

Susan Gouinlock, representing the Illinois Casino Gaming Association, and Dr. Seth Eisenberg, from the Illinois Council on Problem and Compulsive Gambling, were present to inform the Board about a Responsible Gaming project that they are working on. The joint project is an effort to create the Illinois Alliance to Curb Problem Gambling. Ms. Gouinlock stated that the project is a public/private partnership designed to bring together representatives of government, Illinois' gaming industry and non-profit groups to build awareness of what problem gambling is and how problem gamblers can find help in Illinois. Ms. Gouinlock stated that the project with the Illinois Council is a local interactive simulcast of a one-hour program being broadcast from Las Vegas. Mr. Eisenberg stated that the broadcast will feature a panel of research, treatment and industry experts in the area of gambling disorders. Mr. Eisenberg stated that there would also be a question and answer segment for local Illinois viewer participation. The program will take place Monday, August 7, 2000, at 2:30 p.m. Chicago time. Mr. Eisenberg stated that they are currently seeking a location where the live viewing can take place.

### Board Policy Items

Deputy Chief Legal Counsel Jeannette Tamayo stated that the amendment to the hours of alcohol sale rule had been proposed, in part, to correct a discrepancy between the existing rule that authorizes the sale of alcohol during cruising and a legislative change that now permits dockside gaming. Ms. Tamayo stated that staff had filed First Notice and proposed that the time for sale of alcohol be limited from 10:00 a.m. to 2:00 a.m. during weekday gaming and from 10:00 a.m. to 1:00 a.m. on Sundays. Ms. Tamayo stated that comments have been received from licensees, local governments, the Illinois Casino Gaming Association and advocates during the public commentary period, both before and after the First Notice Rule was filed. Ms. Tamayo stated that the Illinois Casino Gaming Association recommended that, if the Board makes a change to the rule, it consider prohibiting the sale of alcohol two hours prior to the casino's daily closing time. Ms. Tamayo stated that staff recommends that the Board adopt the proposed rule as published. Ms. Tamayo stated that the Board could also adopt a combination of both the Association's and staff's proposals.

Member Lamendella questioned whether all of the licensees responded, and if so, whether the Board has the responses. Ms. Tamayo stated staff has not received responses from all of the licensees. Responses have been received from Players Island, Casino Queen, Hollywood Casino, Metropolis, Harrah's Casino, and the Gaming Association. Ms. Tamayo stated that the general position from the casinos is that there is no need to change the current rule. Ms. Tamayo stated that several of the Mayors submitted letters stating that they were unaware of any problems relating to the sale of alcohol at the riverboats in their communities. Ms.

Tamayo stated that the proposal has been publicly circulated, placed on the IGB website and published in the Illinois Register.

Member Lamendella stated that he is not prepared to vote. Member Ryder stated that the two options before the Board are too restrictive. Member Yandle stated that she joins Member Lamendella in that she is not prepared to vote, and she also agrees with some of the points made by Member Ryder. Member Yandle stated that she feels the Board has not spent enough time deliberating the issue. Chairman Jones commented that staff should get different point of views from those who are affected as to having a rule where alcohol sales would be shut off several hours before closing. Chairman Jones also stated that staff needs to consider what kind of accidents or lawsuits have occurred related to persons who leave the casinos and injuries, arrest or death of individuals occur. Member Yandle stated that she would like to have more information about the public comments.

Administrator Acosta stated that the alcohol rule issue dates back to last fall, when the Board initially asked staff to file a rule which required the casinos to keep the same hours as other establishments in their locality. Mr. Acosta stated that, subsequent to the fall filing, there was another time period when staff received comments. Mr. Acosta stated that in February or March, staff again took up the issue because the Board came to the conclusion that the statute required the Board to set the hours, and staff then proceeded with the current rule. Mr. Acosta stated that this issue has been around for quite some time, giving plenty of opportunities for interested parties to provide comments to the Board.

#### Owner Licensee Items

HARRAH'S JOLIET – Tom O'Donnell was present on behalf of Harrah's to request initial consideration for renewal of Harrah's license. Mr. O'Donnell introduced Mayor Arthur Schultz, other Joliet city members and key staff persons with Harrah's. Mr. O'Donnell presented a video presentation to the Board which touches on the history of Joliet and Harrah's impact as a member of the community. The video presented information about economic development, tourism, community involvement, vendor relations, employee statistics, training, and Harrah's responsible gaming initiatives.

ALTON - Dale Black, Chief Financial Officer for Argosy Gaming, was present to discuss equity and debt capitalization. Mr. Black stated that last spring the Board approved a refinancing plan for Argosy that included a bank line and some subordinated debt for the company. Mr. Black stated that one of Argosy's partners has decided to exercise the right to sell his/her interest to Argosy. Argosy is currently in negotiation with that partner to determine the final purchase price. Mr. Black stated that Argosy has started the process of arranging for the financing to be able to pay for the purchase. Mr. Black stated that he sent an initial package of information to Gaming Board staff regarding preliminary plans to increase the line of credit and take on additional debt for the purchase. Mr. Black requested permission to continue to work with staff. Administrator Acosta stated that the staff is aware

of what is going on and will be in contact with Argosy prior to the next Board meeting. Staff will have a full report to the Board so that final action can be taken.

SOUTHERN ILLINOIS RIVERBOAT CASINO CRUISES – Tim Wilmott, President of Harrah’s Eastern Division, was present on behalf of SIRCC. Mr. Wilmott stated that, when the Board approved the Harrah’s acquisition of Players, he had informed the Board of his intentions to improve significantly the operation and overall guest and employee experience. Mr. Wilmott stated that as he and his company became involved with the operation in Metropolis, they saw three issues that needed to be addressed: (1) better management of the water level fluctuations of the Ohio River; (2) improvement of customer amenities in the gaming and non-gaming area, and (3) the improvement of the employee environment. Mr. Wilmott stated that his intentions are to relocate to Metropolis the boats to be replaced by the barge. Mr. Wilmott stated that he wants to introduce a new boarding barge that will have three different customer amenities for eating. Mr. Wilmott stated that his company would be spending significant capital for improving the parking areas. Mr. Wilmott stated that he is working on a plan for an enclosed boarding ramp that adjusts to various water levels, thereby eliminating the steep ramping that is in place now. Mr. Wilmott gave a slide presentation that showed the proposed site plan.

Member Ryder commented that what Mr. Wilmott outlined would be a great improvement and looked forward to seeing it at its completion. Member Ryder asked about river fluctuations while the boat is in the temporary location. Mr. Wilmott stated that, in the temporary location, the surface is at 330 ft. so that under normal water level conditions the lot is not impacted.

Pursuant to Board Rule 3000.230(d), Member Ryder moved that **the Board authorize SIRCC to proceed with its proposed capital improvement project. The approval of the capital improvement project is subject to SIRCC from time to time, as directed by staff, updating the Board on the progress of the capital improvement project and SIRCC obtaining final approval from the Board of its capital improvement project when the project has been completed and SIRCC has obtained approval of its project from the State Fire Marshall, U.S. Coast Guard and other appropriate authorities.** Member Yandle seconded the motion. The Board approved the motion unanimously by voice vote.

#### Supplier Licensee Items

PAUL-SON GAMING SUPPLIES, INC. – Attorney Laurence A. Speiser, was present on behalf of Paul-Son Gaming Supplies, Inc. Member Yandle moved that **the Board renew the Supplier’s license issued to Paul-Son for a period of four years.** Member Ryder seconded the motion. The Board approved the motion unanimously by voice vote.

IGT – John Janicik was present on behalf of IGT. Member Lamendella moved that **the Board renew the Supplier’s license issued to IGT for a period of four years.** Member Yandle seconded the motion. The Board approved the motion unanimously by voice vote.

GEORGE C. MATTESON COMPANY, INC. – Member Ryder moved that **the Board approve Thomas Baranowsky as a Key Person of George Matteson Company.** Member Yandle seconded the motion. The Board approved the motion unanimously by voice vote.

BALLY GAMING, INC. – Member Ryder moved that **the Board approve Robert Miodunski as a Key Person of Bally Gaming.** Member Yandle seconded the motion. The Board approved the motion unanimously by voice vote.

### Occupational Licensees

Member Yandle moved that **the Board approve 85 applications for an Occupational License, Level 2, and 247 applications for an Occupational License, Level 3 and deny 0 applications for an Occupational License Level 2 and 0 for an Occupational License Level 3.**

Member Yandle further moved that, **the Board direct the Administrator to contact 6 pending applicants for occupational licenses to notify that applicants that staff has recommended that the Board deny their applications for an occupational license and provide these applicants an opportunity to respond.** Member Lamendella seconded the motion. The Board approved the motion unanimously by voice vote.

### Disciplinary Complaints

GRAND VICTORIA – Administrator Acosta stated that on February 16, 2000, the Grand Victoria held a promotional drawing; prize winnings were \$16,500. Mr. Acosta stated that Mr. Gianforte, one of the employees, conducted the drawing. Mr. Acosta stated that Mr. Gianforte, in violation of a policy and procedure known to Grand Victoria’s employees, failed to remove his jacket and roll up his sleeve. Mr. Acosta stated that evidence that staff has reviewed indicate that, prior to Mr. Gianforte putting his hand into the drum, he put his hand into his jacket pocket and withdrew a white slip of paper. Mr. Gianforte then placed his hand into the drum and withdrew the name of the winner. Mr. Acosta stated that other employees of Grand Victoria brought the matter to the attention of their supervisors, who brought the matter to the attention of upper management and the employee was terminated the following day. Mr. Acosta stated that no Gaming Board agent was advised of the matter until five days later. Mr. Acosta stated that Grand Victoria did not conduct another drawing to assure that those patrons who had submitted their names and believed that they had an appropriate opportunity to win the prize money were, in fact, given that opportunity.

Member Yandle stated that this type of situation goes to the heart of the reputation and integrity of gaming and it is a very serious situation. Member Yandle stated that not only was there failure in providing a timely report, but there is evidence also of a lack of investigation by Grand Victoria.

Member Yandle moved that for the reasons stated by the Administrator, **the Board issue a Disciplinary Complaint against Grand Victoria casino for failing to comply with the Act and Board Rules in relation to a cash promotional drawing in February 2000. I further move that the Board fine Elgin Riverboat Resort the sum of \$250,000. Said action to take effect twenty-one (21) days from the date of service of this complaint unless an Answer is filed within that time period by the licensee.** Member Ryder seconded the motion. Member Lamendella opposed the motion. The motion passed 3-1.

Member Lamendella stated that Board should be congratulated for changing the procedures with respect to Occupational Licensees, but that the Board has not come all of the way, as they should. Member Lamendella stated that, by virtue of the motion, the Board is effectively setting the amount of the fine and denying Grand Victoria procedural due process. Member Lamendella stated that he feels that the Board should hear both sides before reaching a conclusion as to fault.

Member Yandle stated that due process is a concern that all Board members share. However, the members may disagree as to what constitutes due process under these circumstances. Member Yandle stated that, prior to making a preliminary determination under the current process, the licensee and individuals affected would be given due process and have an opportunity to appeal and be heard. Member Yandle stated that she would go into that process with an open mind.

Administrator Acosta stated that staff did try to contact Mr. Gianforte on more than one occasion. On the last occasion, his attorney imposed certain pre-conditions to Mr. Gianforte's speaking to staff, with which staff did not agree and, as a result, staff did not meet with Mr. Gianforte or his attorney.

Member Ryder moved that for the reasons stated by the Administrator, **the Board issue a Disciplinary Complaint against Patrick Gianforte, a Level 2 Occupational Licensee, for his failure to comply with the Act and Board Rules in relation to a cash promotional drawing in February 2000. I further move that the Board revoke the Occupational License of Patrick Gianforte. Said action to take affect twenty-one (21) days from the date of service of this complaint unless an Answer is filed within that time period by the licensee.** Member Yandle seconded the motion. Member Lamendella opposed the motion. The motion passed 3-1.

CASINO ROCK ISLAND – Administrator Acosta stated that the casino found itself short-handed with respect to some of its hard count activities. The management was

forced to make a choice which would require a violation of certain internal controls or not open the casino for business the next day. Mr. Acosta stated that staff has met with management and their attorney and discussed a number of issues and that staff has taken into consideration what was stated. Mr. Acosta reported that, on that particular occasion, management requested permission from the on duty Gaming Board agent to proceed in a manner that would violate a number of internal controls. Mr. Acosta stated that the agent did not grant permission. Nonetheless, in order to prevent closing the casino, employees proceeded to conduct certain activities that they were not authorized to conduct.

CASINO ROCK ISLAND - Member Yandle moved that for the reasons stated by the Administrator, **the Board issue a Disciplinary Complaint against Casino Rock Island for failing to comply with the Act and Board Rules in relation to EGD Drops and Counts in April 2000. I further move that the Board fine Casino Rock Island the sum of \$99,900.40, which is the adjusted gross receipts for April 9, 2000. Said action to take effect twenty-one (21) days from the date of service of this complaint unless an Answer is filed within that time period by the licensee.** Member Ryder seconded the motion. Member Lamendella opposed the motion. The motion passed 3-1.

At 4:15 p.m., Member Lamendella moved **that the Board retire to Closed Session pursuant to Section 2(c), paragraphs (1), (4), (11), (14) and (21) of the Open Meetings Act, to discuss the following subject matters:**

- 1. Issues Concerning Applicants and Licensees**
- 2. Pending Litigation and Matters Involving Probable Litigation**
- 3. Investigatory Matters**
- 4. Personnel Matters**
- 5. Closed Session Minutes**

Member Yandle seconded the motion. The Board adopted the motion by unanimous consent and retired to Closed Session.

Respectfully submitted,

Monica Thomas  
Secretary to the Board